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SOUTH AFRICAN QUALIFICATIONS AUTHORITY

REGISTERED UNIT STANDARD:

Contribute to capital planning and financing

SAQA US ID	UNIT STANDARD TITLE		
116347	Contribute to capital planning and financing		
SGB NAME		**REGISTERING PROVIDER**	
SGB Public Administration and Management			
FIELD		**SUBFIELD**	
Field 03 - Business, Commerce and Management Studies		Public Administration	
ABET BAND	**UNIT STANDARD TYPE**	**NQF LEVEL**	**CREDITS**
Undefined	Regular	Level 6	15
REGISTRATION STATUS	**REGISTRATION START DATE**	**REGISTRATION END DATE**	**SAQA DECISION NUMBER**
Registered	2004-10-13	2007-10-13	SAQA 0256/04

PURPOSE OF THE UNIT STANDARD

This Unit Standard is intended for persons who will need to prepare documentation for the approval of projects of a capital nature in a municipality and use this documentation to raise finance from financial institutions in South Africa for municipal capital projects.People credited with this Unit Standard are able to determine capital investment appraisal and project financing options as they relate to capital budgeting decisions and techniques in South Africa`s local government sphere.

LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR LEARNING

It is assumed that Learners are competent in:

- Communication at Level 4.
- Mathematical Literacy at Level 4.
- Economics at Level 4.

UNIT STANDARD RANGE

The typical range of this Unit Standard includes:

- Capital evaluation techniques including: time value of money, compound interest, net present value, internal rate of return.
- Budgeting techniques including: cash flow forecast, budget estimates.

UNIT STANDARD OUTCOME HEADER

N/A

Specific Outcomes and Assessment Criteria:

SPECIFIC OUTCOME 1

Prepare a business plan for a municipal capital project.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

A detailed Memorandum of Understanding is compiled identifying role players` involvement in a capital project.

ASSESSMENT CRITERION 2

A capital expenditure programme is prepared in accordance with a municipal multi-year income and expenditure framework.

ASSESSMENT CRITERION 3

Cash and revenue consequences are calculated and presented for a capital project.

ASSESSMENT CRITERION 4

A complete business plan is prepared, presented and explained for a municipal capital project.

SPECIFIC OUTCOME 2

Apply different methods of raising finance for capital in a municipality.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

The information for purposes of deciding on the funding of new capital projects and programmes is prepared in line with sound financing principles.

ASSESSMENT CRITERION 2

Different types of capital finance are identified for capital projects undertaken by municipalities and their entities.

ASSESSMENT CRITERION 3

Key issues in a borrowing strategy, sale and leaseback and equity deals are identified to facilitate decisions on an appropriate financing mix for a new capital project.

SPECIFIC OUTCOME 3

Determine and explain the capital expenditure controls.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

The optimal capital expenditures operating in a municipality are established in accordance with existing legislative framework.

ASSESSMENT CRITERION 2

Issues in the capital expenditure control mechanisms are explained in relation to project life,

capital rationing and other qualitative factors.

SPECIFIC OUTCOME 4

Apply criteria for screening and selecting capital projects.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

Capital budgeting techniques are selected against pre-determined criteria.

ASSESSMENT CRITERION 2

Capital budgeting techniques are applied in line with sound economic principles of investment appraisal.

ASSESSMENT CRITERION 3

Cash flow and revenue consequences of a project are calculated to inform capital investment decisions.

SPECIFIC OUTCOME 5

Combine financial and non-financial factors in a project appraisal.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

The concept of the time value of money is applied to the project`s benefits for assessment.

ASSESSMENT CRITERION 2

Treatment of general price increases is demonstrated in the capital investment decision-making process.

ASSESSMENT CRITERION 3

Financial and non-financial factors are combined in a project appraisal to show the benefits of a particular capital expenditure programme.

SPECIFIC OUTCOME 6

Apply the cost-benefit analysis to projects undertaken by municipalities.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

The information for purposes of carrying out a cost-benefit analysis on acquisition of new capital assets is prepared in line with sound economic principles.

ASSESSMENT CRITERION 2

The information for purposes of deciding on acquisition of new capital assets is analysed using a cost-benefit approach.

UNIT STANDARD ACCREDITATION AND MODERATION OPTIONS

- An individual wishing to be assessed (including through RPL) against this Unit Standard may apply to an assessment agency, assessor or provider institution accredited by the relevant ETQA, or an ETQA that has a Memorandum of Understanding with the relevant ETQA.

- Anyone assessing a learner against this Unit Standard must be registered as an assessor with the relevant ETQA, or an ETQA that has a Memorandum of Understanding with the relevant ETQA.

- Any institution offering learning that will enable achievement of this Unit Standard or assessing this Unit Standard must be accredited as a provider with the relevant ETQA, or an ETQA that has a Memorandum of Understanding with the relevant ETQA.

- Moderation of assessment will be conducted by the relevant ETQA at its discretion.

UNIT STANDARD DEVELOPMENTAL OUTCOME

N/A

UNIT STANDARD LINKAGES

N/A

Critical Cross-field Outcomes (CCFO):

UNIT STANDARD CCFO IDENTIFYING

Identify and solve problems using critical and creative thinking processes, e.g. by trying to find the best possible capital planning options.

UNIT STANDARD CCFO WORKING

Work effectively with others as a member of a team, group, organization or community, e.g. through communicating with others regarding capital planning options and fostering team commitment project team.

UNIT STANDARD CCFO ORGANISING

Organise and manage oneself and one`s activities responsibly and effectively, e.g. through the demonstration of ethical and moral principles in all capital planning processes.

UNIT STANDARD CCFO COLLECTING

Collect, analyse, organise and critically evaluate information, e.g. through researching all possible capital options and presenting conclusions.

UNIT STANDARD CCFO COMMUNICATING

Communicate effectively using visual, mathematical and / or language skills in the modes of oral and/or written persuasion, e.g. through advising and motivating others with regard to capital planning options.

UNIT STANDARD CCFO SCIENCE

Use Science and technology effectively and critically, showing responsibility to the environment and health of others, e.g. use appropriate computer software for mathematical computation, planning, data capturing and document storage purposes.

UNIT STANDARD CCFO DEMONSTRATING

Demonstrate an understanding of the world as a set of interrelated systems by recognising that problem-solving contexts do not exist in isolation, e.g. in keeping in mind that capital planning effects the financial well being of not only the municipality but the country as a whole.

UNIT STANDARD CCFO CONTRIBUTING

Participating as responsible citizens in the life of local, national and global communities, e.g. acting as custodian of ethical behaviour and maintaining a high Level of commitment to providing effective capital planning procedures.

UNIT STANDARD ASSESSOR CRITERIA

N/A

UNIT STANDARD NOTES

N/A

QUALIFICATIONS UTILISING THIS UNIT STANDARD:

	ID	QUALIFICATION TITLE	LEVEL	STATUS	END DATE
Core	48965	Certificate: Municipal Financial Management	Level 6	Registered	2007-10-13

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